



State of Wisconsin
2009 - 2010 LEGISLATURE

LRBs0423/1

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O-NOTE

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SENATE SUBSTITUTE AMENDMENT,
TO 2009 SENATE BILL 450

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1 AN ACT *to repeal* 20.155 (3) (s), 196.374 (1) (i), 196.374 (1) (o), 196.374 (3) (b)
2 (title), 2. (intro.) and a. and 4., 196.374 (5) (bm) (title), 196.374 (5) (bm) 1.,
3 196.374 (7) (a), 196.374 (7) (b) 2., 196.374 (7) (c), 196.374 (7) (d), 196.377 (title),
4 196.377 (2), 196.378 (1) (am), 196.378 (1) (b), 196.378 (1) (fr), 196.378 (1) (h) 1.,
5 1m. and 2., 196.378 (1) (j), 196.378 (1) (o), 196.378 (2) (b) 2., 196.378 (2) (b) 4.
6 and 5. and 196.378 (4); *to renumber* 16.965 (1) (a), 16.965 (4) (a) to (f), 84.185
7 (4), 196.025 (1) (ag) 1., 196.25 (1), 196.374 (3) (b) 2. c., d., e., f., g. and h., 196.374
8 (7) (b) (title), 196.377 (1), 196.378 (1) (c) and (d), 196.378 (1) (fm) (intro.),
9 196.378 (1) (g), 196.378 (1) (k), 196.378 (1) (p), 196.49 (1), 196.491 (5), 196.493
10 (2) (b) 3., 196.65 (1), 196.66 (1) and 292.75 (5); *to renumber and amend* 26.38
11 (2m) (b), 101.027 (1), 196.025 (1) (b) 1., 196.374 (3) (b) 2. b., 196.374 (3) (b) 3.,
12 196.374 (3) (e), 196.374 (5) (bm) 2., 196.374 (7) (b) 1., 196.374 (8), 196.378 (1)
13 (intro.) and (ag), 196.378 (1) (ar), 196.378 (1) (fg), 196.378 (1) (fm) 1., 196.378

(1) (fm) 2., 196.378 (1) (h) (intro.), 196.378 (1) (i), 196.378 (2) (c), 196.491 (1) (g), 196.491 (1) (w) 2., 196.491 (3m) (d), 196.493 (1), 196.493 (2) (intro.), 196.493 (2) (a), 196.493 (2) (b) (intro.), 196.493 (2) (b) 1., 196.493 (2) (b) 2., 292.75 (7), 560.032 (1), 560.032 (2), 560.302 and 560.305 (4); **to consolidate, renumber and amend** 196.374 (3) (a) and (b) 1., 196.374 (3) (c) 2. (intro.), a. and b. and 196.374 (5) (b) 1. and (bm) 3.; **to amend** 16.75 (12) (a) 4., 16.965 (2), 16.965 (4) (intro.), 25.96, 66.0602 (2), 66.0627 (title), 66.0627 (1) (a), 66.0627 (8), 77.54 (30) (a) 1m., 79.005 (1b), 79.005 (4) (d), 79.04 (6) (a), 84.185 (3) (a) (intro.), 101.027 (2), 101.027 (3) (a) 1., 101.027 (3) (b) 1., 101.62, 101.63 (1) (intro.), 101.80 (1j), 196.025 (1) (b) 2., 196.025 (1) (c) 1., 196.025 (1) (c) 2., 196.025 (2m) (c), 196.374 (1) (b), 196.374 (1) (c), 196.374 (1) (d), 196.374 (1) (f), 196.374 (1) (j) (intro.), 196.374 (1) (L), 196.374 (2) (a) 1., 196.374 (2) (a) 2. (intro.), 196.374 (2) (a) 2. a., 196.374 (2) (a) 2. b., 196.374 (2) (a) 2. d., 196.374 (2) (a) 3., 196.374 (2) (b) (title), 196.374 (2) (b) 1., 196.374 (2) (b) 2., 196.374 (2) (b) 3., 196.374 (2) (c), 196.374 (3) (c) (title), 196.374 (3) (c) 1., 196.374 (3) (d), 196.374 (3) (f) 1., 196.374 (3) (f) 2., 196.374 (3) (f) 3., 196.374 (3) (f) 4., 196.374 (4) (a) (intro.), 196.374 (4) (a) 1., 196.374 (4) (a) 2., 196.374 (4) (b), 196.374 (5) (a), 196.374 (5) (b) 2., 196.374 (5) (d), 196.374 (5m) (a), 196.374 (5m) (b), 196.374 (6), 196.374 (7) (e) 1. (intro.), 196.374 (7) (e) 1. a., 196.374 (7) (e) 1. b., 196.374 (7) (e) 1. c., 196.378 (2) (a) 1., 196.378 (2) (a) 2. (intro.), 196.378 (2) (a) 2. c., 196.378 (2) (a) 2. d., 196.378 (2) (a) 2. e., 196.378 (2) (b) (intro.), 196.378 (2) (b) 1m. (intro.), 196.378 (2) (b) 1m. a., 196.378 (2) (d) (intro.), 196.378 (2) (e) (intro.), 196.378 (2) (f), 196.378 (2) (g) 2., 196.378 (4m) (a), 196.378 (4m) (b), 196.378 (5) (intro.), 196.378 (5) (a), 196.49 (2), 196.49 (3) (a), 196.49 (4), 196.49 (6), 196.491 (3) (d) (intro.), 196.491 (3) (d) 2., 196.491 (3) (d) 3., 196.491 (3) (g), 196.491 (3m) (title), 196.491 (3m) (a)

1 (intro.), 196.491 (3m) (b) 1. am., 196.491 (3m) (b) 3. b., 196.491 (3m) (c) 1. a.,
2 196.493 (title), 196.494 (1) (a), 196.52 (9) (g), 196.65 (2), 196.66 (2), 196.66 (4)
3 (b), 196.795 (11) (b), 196.85 (1m) (a), 299.97 (1), 560.032 (4), 560.081 (2) (e),
4 560.13 (2) (b) 2., 560.13 (3) (intro.) and 560.205 (1) (g); **to repeal and recreate**
5 196.374 (7) (e) (title) and 196.378 (3); **to create** 15.347 (3), 16.856, 16.954,
6 16.956 (1) (bk) and (bn) and (3) (f) to (i), 16.956 (3) (j), 16.965 (1) (ad), 16.965 (1)
7 (ah), 16.965 (1) (ap), 16.965 (1) (c), 16.965 (4) (bm), 16.965 (5), 20.115 (4) (d),
8 26.38 (2m) (b) 2., 26.38 (3) (d), 26.42, 36.605, 66.0602 (3) (e) 9., 66.0627 (1) (d),
9 76.28 (1) (gm) 3., 84.185 (1) (br) and (cr), 84.185 (2) (b) 15., 84.185 (2) (d), 84.185
10 (2m), 84.185 (4) (b), 93.47, 93.475, 101.02 (23), 101.027 (1g), 101.027 (1r),
11 101.027 (4), 101.028, 101.63 (1m), 101.80 (2m), 196.025 (1) (ag) 1g., 196.025 (1)
12 (b) 1. b., 196.025 (1) (c) 3., 196.025 (7), 196.25 (1g), 196.374 (1) (am), 196.374 (1)
13 (dm), 196.374 (1) (er), 196.374 (1) (hm), 196.374 (1) (ig), 196.374 (1) (ir), 196.374
14 (1) (j) 8., 196.374 (1) (mb), 196.374 (1) (me), 196.374 (1) (mh), 196.374 (1) (mL),
15 196.374 (1) (mo), 196.374 (1) (mr), 196.374 (1) (mu), 196.374 (2) (a) 2. e. and f.,
16 196.374 (3) (bc), (bg) (title), 1., 1m. (intro) and 2., (bn), (br) and (bw) (title), 1.,
17 2., 3., 3r. and 4., 196.374 (3) (c) 2. bm., c., d. and e., 196.374 (3) (dm), 196.374 (3)
18 (e) 2m., 196.374 (5) (b) 4., 196.374 (5m) (am), 196.374 (7) (am), 196.374 (7) (bg),
19 196.374 (7) (cm), 196.374 (7) (dm), 196.374 (7) (e) 1. e., 196.374 (8) (a), (b) and
20 (c), 196.374 (9) and (10), 196.378 (1g), 196.378 (1r) (at), 196.378 (1r) (de),
21 196.378 (1r) (dm), 196.378 (1r) (ds), 196.378 (1r) (dw), 196.378 (1r) (em),
22 196.378 (1r) (fg) 2., 196.378 (1r) (fg) 3., 196.378 (1r) (fg) 4., 196.378 (1r) (fm) 3.,
23 196.378 (1r) (gm), 196.378 (1r) (kg), 196.378 (2) (a) 2. f., 196.378 (2) (a) 2. g.,
24 196.378 (2) (a) 2. h., 196.378 (2) (a) 2. i., 196.378 (2) (am), 196.378 (2) (b) 1g.,
25 196.378 (2) (b) 1j., 196.378 (2) (b) 1r., 196.378 (2) (b) 2m., 196.378 (2) (h), 196.378

(3m), 196.378 (6), 196.49 (1g), 196.49 (3) (cm), 196.49 (5m), 196.491 (1) (g) 2., 196.491 (1) (i), 196.491 (1) (j), 196.491 (1) (w) 2. b., 196.491 (3) (em), 196.491 (3m) (d) 1., 196.491 (3m) (d) 2., 196.491 (5) (am), 196.491 (5) (c) 1. am., 196.491 (5) (c) 2. bm., 196.493 (1g), 196.493 (1r) (ag), 196.493 (1r) (b), 196.493 (2) (am) 1m., 196.493 (2) (am) 2. c., 196.493 (2) (am) 3., 196.493 (2) (am) 4., 196.493 (2) (c), 196.493 (3), 196.493 (4), 196.494 (1) (am), 196.65 (1g), 196.66 (1g), 196.795 (6m) (a) 4m., 196.795 (6m) (cm), 196.80 (1r), 196.85 (1m) (e), 285.60 (11), 292.75 (5) (a) 2m., 292.75 (5) (b), 292.75 (5m), 292.75 (7) (b), 299.03, 299.035, 299.04, 299.045, 343.32 (2) (bs), 346.947, 346.95 (11), 560.032 (1g), 560.032 (1r) (b), 560.032 (2) (b), 560.081 (1m), 560.081 (2) (f) 6., 560.13 (2) (b) 3., 560.13 (3) (em), 560.13 (3m), 560.302 (1m) and 560.305 (4) (b) of the statutes; and **to affect** 1983 Wisconsin Act 401, section 1; **relating to:** allocating a portion of existing tax-exempt industrial development revenue bonding to clean energy manufacturing facilities and renewable power generating facilities; air pollution permits for certain stationary sources reducing greenhouse gas emissions; greenhouse gas emissions and energy use by certain state agencies and state assistance to school districts in achieving energy efficiencies; creating an exception to local levy limits for amounts spent on energy efficiency measures; requiring a report on certain programs to limit greenhouse gas emissions; idling limits for certain motor vehicles; energy efficiency and renewable resource programs; renewable energy requirements of electric utilities and retail cooperatives; authority of the Public Service Commission over nuclear power plants; creating an energy crop reserve program; identification of private forest land; promoting sequestration of carbon in forests, qualifying practices, and cost-share requirements under the forest

1 grant program established by the Department of Natural Resources; grants to
2 local governments for planning activities; model parking ordinances; the
3 brownfield site assessment grant program; the main street program; the
4 brownfields grant program; the forward innovation fund; the transportation
5 facilities economic assistance and development program; a study of biomass
6 availability; goals for reductions in greenhouse gas emissions, for construction
7 of zero net energy buildings, and for energy conservation; information,
8 analyses, reports, education, and training concerning greenhouse gas
9 emissions and climate change; energy conservation codes for public buildings,
10 places of employment, one- and two-family dwellings, and agricultural
11 facilities; design standards for state buildings; granting rule-making
12 authority; requiring the exercise of rule-making authority; and providing a
13 penalty.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

14 **SECTION 1.** 15.347 (3) of the statutes is created to read:

15 15.347 (3) CLIMATE CHANGE COORDINATING COUNCIL. (a) *Creation; membership.*

16 There is created in the department of natural resources a climate change
17 coordinating council consisting of the following members:

- 18 1. The secretary of administration or his or her designee.
- 19 2. The secretary of natural resources or his or her designee.
- 20 3. The secretary of commerce or his or her designee.
- 21 4. The secretary of agriculture, trade and consumer protection or his or her
22 designee.
- 23 5. The secretary of health services or his or her designee.

1 6. The secretary of transportation or his or her designee.

2 7. The president of the University of Wisconsin System or his or her designee.

3 8. The chairperson of the public service commission or his or her designee.

4 9. The executive director of the office of energy independence or his or her
5 designee.

6 10. One person to represent the governor, appointed to a 4-year term.

7 (b) *Designees*. A person who is authorized under par. (a) to appoint a designee
8 may only appoint a designee who is an employee or appointive officer of the person's
9 agency.

10 **SECTION 2.** 16.75 (12) (a) 4. of the statutes is amended to read:

11 16.75 (12) (a) 4. "Renewable resource" has the meaning given in s. ~~196.378 (1)~~
12 ~~(h) 1. or 2. and includes a resource, as defined in s. 196.378 (1) (j), that derives~~
13 ~~electricity from hydroelectric power~~ 196.374 (1) (j).

14 **SECTION 3.** 16.856 of the statutes is created to read:

15 **16.856 Design standards for state buildings.** (1) In this section:

16 (a) "Major construction project" means a project to construct or expand a state
17 building; a project to repair, renew, or renovate an existing state building that affects
18 at least 35,000 square feet of enclosed space; or a project that affects the envelope or
19 heating, ventilation, or air conditioning system of an existing state building.

20 (b) "Minor construction project" means a project to construct, repair, renew,
21 renovate, or expand a state building that is not a major construction project.

22 (2) The department shall ensure that the plans and specifications for each
23 major construction project conform to the design standards promulgated by the
24 department of commerce under s. 101.027 (4) unless the department or the building

1 commission is required by another law to apply a stricter standard for the plans or
2 specifications.

3 (3) The department shall ensure that the plans and specifications for each
4 minor construction project conform to the design standards promulgated by the
5 department of commerce under s. 101.027 (4) if the department determines that
6 compliance is technically feasible and cost effective. This subsection does not apply
7 if the department or the building commission is required by another law to apply a
8 stricter standard for the plans or specifications.

9 **SECTION 4.** 16.954 of the statutes is created to read:

10 **16.954 Greenhouse gas emission; energy use.** (1) In this section:

11 (a) "Agency" has the meaning given in s. 16.70 (1e).

12 (b) "Biomass" has the meaning given in s. 196.374 (1) (am).

13 (c) "Greenhouse gas" has the meaning given in s. 299.03 (1) (d).

14 (2) The department shall prescribe guidelines and protocols for use by agencies
15 to which s. 299.045 applies in:

16 (a) Estimating the amount of greenhouse gas emissions that are attributable
17 to activities of each of those agencies under s. 299.045 (2).

18 (b) Establishing achievable goals for the reduction in greenhouse gas emissions
19 that are attributable to each of those agencies under s. 299.045 (3) (a).

20 (c) Developing plans to achieve the goals established under s. 299.045 (3) (a).

21 (3) The department shall assist agencies to which s. 299.045 applies in
22 complying with s. 299.045 with regard to energy use in facilities used by the agencies.

23 (4) The department shall establish a schedule of energy efficiency goals for
24 each agency to which s. 299.045 applies that are designed to ensure that, by 2030,

1 the overall energy use by all agencies is reduced to a level that is 30 percent lower
2 than the overall energy use by all agencies in 2005.

3 (5) The department shall establish goals for each agency to which s. 299.045
4 applies that are designed to ensure that overall use by all agencies of energy derived
5 from biomass sources is at least equivalent to the following percentages by the dates
6 specified:

7 (a) Ten percent by 2010.

8 (b) Fifteen percent by 2015.

9 (c) Twenty percent by 2020.

10 (d) Twenty-five percent by 2025.

11 (6) No later than July 1 of each odd-numbered year, the department of
12 administration shall prepare and submit to the department of natural resources a
13 report that summarizes the reports received under s. 299.045 (5) in that year.

14 **SECTION 5.** 16.956 (1) (bk) and (bn) and (3) (f) to (i) of the statutes are created
15 to read:

16 16.956 (1) (bk) “Biomass” has the meaning given in s. 196.374 (1) (am).

17 (bn) “Greenhouse gas” has the meaning given in s. 299.03 (1) (d).

18 (3) (f) Assist agencies to which s. 299.045 applies in complying with s. 299.045
19 with regard to the use of transportation fuels by the agencies and their officers,
20 employees, and agents.

21 (g) Provide information to school districts regarding opportunities to minimize
22 expenses and environmental impacts through the modification of facilities and
23 operational practices that maximize the efficiency of energy use, maximize the use
24 of renewable energy resources, and otherwise minimize emissions of greenhouse
25 gases.

1 (h) Encourage and assist school districts to voluntarily conduct the analyses
2 described in s. 299.045 (2), establish achievable goals for the reduction of greenhouse
3 gas emissions identified in their analyses as provided in s. 299.045 (3), and develop
4 and implement a plan for achieving their goals by means of specific actions to be
5 taken by specific dates.

6 (i) No later than July 1 of each odd-numbered year, report to the departments
7 of administration and natural resources regarding the voluntary participation of
8 school districts in the establishment of goals and the development and
9 implementation of plans for achieving goals under par. (h), the accomplishments of
10 school districts in implementing those plans, and the verifiable reductions of energy
11 use, greenhouse gas emissions, and school district expenses attributable to
12 implementation of those plans.

13 **SECTION 6.** 16.956 (3) (j) of the statutes is created to read:

14 16.956 (3) (j) Annually compile a report containing statistics on energy use and
15 production in this state and make the report available on its Internet site.

16 **SECTION 7.** 16.965 (1) (a) of the statutes is renumbered 16.965 (1) (at).

17 **SECTION 8.** 16.965 (1) (ad) of the statutes is created to read:

18 16.965 (1) (ad) "Comprehensive plan" has the meaning given in s. 66.1001 (1)
19 (a).

20 **SECTION 9.** 16.965 (1) (ah) of the statutes is created to read:

21 16.965 (1) (ah) "Conservation subdivision" has the meaning given in s. 66.1027
22 (1) (a).

23 **SECTION 10.** 16.965 (1) (ap) of the statutes is created to read:

24 16.965 (1) (ap) "Greenhouse gas" has the meaning given in s. 299.03 (1) (d).

25 **SECTION 11.** 16.965 (1) (c) of the statutes is created to read:

1 16.965 (1) (c) "Traditional neighborhood development" has the meaning given
2 in s. 66.1027 (1) (c).

3 **SECTION 12.** 16.965 (2) of the statutes is amended to read:

4 16.965 (2) From the appropriations under s. 20.505 (1) (cm) and (if), the
5 department may provide grants to local governmental units to be used to finance the
6 cost of planning activities, including contracting for planning consultant services,
7 public planning sessions and other planning outreach and educational activities, or
8 for the purchase of computerized planning data, planning software or the hardware
9 required to utilize that data or software. The department shall require any local
10 governmental unit that receives a grant under this ~~section~~ subsection to finance a
11 percentage of the cost of the product or service to be funded by the grant from the
12 resources of the local governmental unit. The department shall determine the
13 percentage of the cost to be funded by a local governmental unit based on the number
14 of applications for grants and the availability of funding to finance grants for the
15 fiscal year in which grants are to be provided. A local governmental unit that desires
16 to receive a grant under this subsection shall file an application with the department.
17 The application shall contain a complete statement of the expenditures proposed to
18 be made for the purposes of the grant. No local governmental unit is eligible to
19 receive a grant under this subsection unless the local governmental unit agrees to
20 utilize the grant to finance planning for all of the purposes specified in s. 66.1001 (2).

21 **SECTION 13.** 16.965 (4) (intro.) of the statutes is amended to read:

22 16.965 (4) (intro.) In determining whether to approve a proposed grant under
23 sub. (2), preference shall be accorded to ~~applications of local~~ all of the following:

24 (am) Local governmental units that whose applications contain all of the
25 following elements:

1 **SECTION 14.** 16.965 (4) (a) to (f) of the statutes are renumbered 16.965 (4) (am)
2 1. to 6.

3 **SECTION 15.** 16.965 (4) (bm) of the statutes is created to read:

4 16.965 (4) (bm) Local governmental units that have in effect comprehensive
5 plans that achieve the goals in par. (am) 2., have adopted ordinances for traditional
6 neighborhood development or conservation subdivisions, and have submitted
7 applications that include planning efforts to increase overall residential densities
8 through measures such as the following:

- 9 1. Allowing construction of a mix of residential uses within one zoning district.
- 10 2. Allowing construction of a mix of residential and commercial uses within one
11 zoning district.
- 12 3. Allowing 2-family residences to be built in all zoning districts in which
13 single-family residences may be built.
- 14 4. Establishing a maximum lot size for single-family residences.
- 15 5. In rural areas, eliminating 35-acre minimum lot sizes for residences.
- 16 6. Reducing residential street widths.

17 **SECTION 16.** 16.965 (5) of the statutes is created to read:

18 16.965 (5) (a) In addition to grants under sub. (2), from the appropriations
19 under s. 20.505 (1) (cm) and (if), the department may provide grants to local
20 governmental units to be used to finance the development or implementation of
21 ordinances for traditional neighborhood development or conservation subdivisions
22 or to finance planning efforts to increase overall residential densities through
23 measures such as those described in sub. (4) (bm) 1. to 6. Only local governmental
24 units that have in effect comprehensive plans that achieve the goals in sub. (4) (am)
25 2. are eligible for grants under this subsection. The department shall require any

1 local governmental unit that receives a grant under this subsection to finance a
2 percentage of the cost of the product or service to be funded by the grant from the
3 resources of the local governmental unit. The department shall determine the
4 percentage of the cost to be funded by a local governmental unit based on the number
5 of applications for grants and the availability of funding to finance grants for the
6 fiscal year in which grants are to be provided. A local governmental unit that desires
7 to receive a grant under this subsection shall file an application with the department.
8 A local governmental unit shall include in its application a complete statement of the
9 expenditures proposed to be made for the purposes of the grant.

10 (b) The department may not limit the eligibility of a local governmental unit
11 for a grant under this subsection on grounds related to the previous receipt of a grant
12 under sub. (2) by the local governmental unit.

13 **SECTION 17.** 20.115 (4) (d) of the statutes is created to read:

14 20.115 (4) (d) *Energy crop reserve program; payments.* The amounts in the
15 schedule for payments under the energy crop reserve program under s. 93.47.

16 **SECTION 18.** 20.155 (3) (s) of the statutes is repealed.

17 **SECTION 19.** 25.96 of the statutes is amended to read:

18 **25.96 Utility public benefits fund.** There is established a separate
19 nonlapsible trust fund designated as the utility public benefits fund, consisting of
20 low-income assistance fees received under s. 16.957 (4) (a) and (5) (b) 2. ~~and all~~
21 ~~moneys received under s. 196.374 (3) (b) 4.~~

22 **SECTION 20.** 26.38 (2m) (b) of the statutes is renumbered 26.38 (2m) (b) 1. and
23 amended to read:

24 26.38 (2m) (b) 1. ~~Each~~ Except as provided under subd. 2., each recipient of a
25 grant under this section shall provide a matching contribution in an amount to be

1 determined by the department for that particular grant based on criteria
2 promulgated by rule under sub. (3). The matching contribution may be in the form
3 of money or in-kind goods or services or both.

4 **SECTION 21.** 26.38 (2m) (b) 2. of the statutes is created to read:

5 26.38 (2m) (b) 2. If a grant to implement a forest stewardship management
6 plan includes a requirement that the recipient plant and maintain trees, the
7 recipient shall provide a matching contribution of not more than 25 percent of that
8 portion of the grant that is for the cost of planting and maintaining the trees, subject
9 to the availability of funds.

10 **SECTION 22.** 26.38 (3) (d) of the statutes is created to read:

11 26.38 (3) (d) A description of the forest stewardship management plan
12 practices that are eligible for funding under this section. Eligible practices shall
13 include establishing and maintaining trees; implementing measures to protect those
14 trees from damage caused by deer; and implementing measures that promote forest
15 health, including insect and disease control.

16 **SECTION 23.** 26.42 of the statutes is created to read:

17 **26.42 Carbon sequestration in forests. (1) DEFINITIONS.** In this section:

18 (a) "Cap and trade program" has the meaning given in s. 299.04 (1) (a).

19 (am) "Carbon sequestration" has the meaning given in s. 299.03 (1) (bm).

20 (b) "Greenhouse gas" has the meaning given in s. 299.03 (1) (d).

21 (c) "Sustainable forestry" has the meaning given in s. 28.04 (1) (e).

22 **(2) STANDARDS AND PRACTICES.** (a) Subject to par. (b), the department, in
23 cooperation with the department of agriculture, trade and consumer protection, the
24 University of Wisconsin-Extension, and the council on forestry, shall specify
25 standards and practices for monitoring and measuring carbon sequestration by

1 forests, including standards and practices for voluntary carbon accounting on forest
2 lands of the state. The department shall design the standards and practices to
3 conform with regional or national systems for trading credits for greenhouse gas
4 emissions.

5 (b) Paragraph (a) does not apply until a regional or national cap and trade
6 program that applies to any person in this state is enacted or adopted.

7 (3) TECHNICAL ASSISTANCE. The department, in cooperation with the
8 department of agriculture, trade and consumer protection and the University of
9 Wisconsin-Extension, shall provide technical assistance to promote the use of
10 sustainable forestry practices that increase carbon sequestration by persons who
11 own forest lands of the state and to assist them, through the use of those practices,
12 to generate credits that may be used to satisfy limits on emissions of greenhouse
13 gases and to sell the credits.

14 (4) IDENTIFICATION AND NOTIFICATION OF OWNERS OF PRIVATE FOREST LANDS. Using
15 the land cover database developed under s. 299.03 (5) (b) 3., county land records,
16 geographic information systems, and other methods, the department shall identify,
17 to the extent practicable, persons who own private forest lands and who do not
18 participate in forestry programs administered by the department. The department
19 shall notify persons identified under this subsection about information and technical
20 assistance that is available from the department concerning carbon sequestration
21 and sustainable forest management.

22 **SECTION 24.** 36.605 of the statutes is created to read:

23 **36.605 Extension's model parking ordinances.** (1) The extension, in
24 consultation with the advisory committee appointed under sub. (3), shall develop 2
25 or more model market pricing parking ordinances. At least one ordinance shall be

1 tailored to parking in urban areas and at least one ordinance shall be tailored to
2 parking in nonurban areas. Each ordinance shall include market pricing methods
3 for on-street parking, parking structures, and fee lots. Each ordinance shall also
4 include preferred parking opportunities for vehicles with relatively low emissions of
5 greenhouse gases, as defined in s. 299.03 (1) (d), considering the complexities of
6 determining whether particular vehicles should be eligible for preferred parking
7 opportunities. In developing these model ordinances, the extension shall evaluate
8 current practices with respect to mandatory minimum parking space requirements
9 for public buildings.

10 (2) Upon completion of the model ordinances under sub. (1), the extension shall
11 make these model ordinances publicly available to interested persons and shall
12 provide these model ordinances to organizations representing local units of
13 government in this state.

14 (3) The extension shall appoint and convene an advisory committee to provide
15 guidance to the extension in the development of the model ordinances under sub. (1).
16 The advisory committee shall include at least one member from the department of
17 transportation. The provisions of s. 15.04 (1) (c) shall apply to the members of the
18 advisory committee as if the committee had been created and appointed by the board.

19 **SECTION 25.** 66.0602 (2) of the statutes, as affected by 2009 Wisconsin Act 28,
20 is amended to read:

21 66.0602 (2) **LEVY LIMIT.** Except as provided in subs. (3), (4), and (5), no political
22 subdivision may increase its levy in any year by a percentage that exceeds the
23 political subdivision's valuation factor. The base amount in any year, to which the
24 limit under this section applies, shall be the maximum allowable levy for the
25 immediately preceding year. In determining its levy in any year, a city, village, or

town shall subtract any tax increment that is calculated under s. 59.57 (3) (a), 60.85 (1) (L), or 66.1105 (2) (i). The base amount in any year, to which the limit under this section applies, may not include any amount to which sub. (3) (e) 8. or 9. applies.

SECTION 26. 66.0602 (3) (e) 9. of the statutes is created to read:

66.0602 (3) (e) 9. The amount that a political subdivision levies in that year to pay for energy efficiency measures and renewable energy products that result in the avoidance of, or reduction in, energy costs. The department of administration shall promulgate rules to facilitate the implementation of this subdivision by creating standards and definitions for terms including energy efficiency measures, renewable energy products, and energy costs.

SECTION 27. 66.0627 (title) of the statutes, as affected by 2009 Wisconsin Act 11, is amended to read:

66.0627 (title) Special charges for current services and energy and water efficiency improvement loans.

SECTION 28. 66.0627 (1) (a) of the statutes, as created by 2009 Wisconsin Act 11, is amended to read:

66.0627 (1) (a) "Energy efficiency improvement" means an improvement to a residential, commercial, or industrial premises that reduces the usage of energy, or increases the efficiency of energy usage, at the premises.

SECTION 29. 66.0627 (1) (d) of the statutes is created to read:

66.0627 (1) (d) "Water efficiency improvement" means an improvement to a residential, commercial, or industrial premises that reduces the usage of water, or increases the efficiency of water usage, at the premises.

SECTION 30. 66.0627 (8) of the statutes, as created by 2009 Wisconsin Act 11, is amended to read:

1 66.0627 (8) A political subdivision may make a loan to ~~a resident of an owner~~
2 ~~or lessee of a premises located in~~ the political subdivision for making or installing an
3 energy efficiency improvement, a water efficiency improvement, or a renewable
4 resource application to the ~~resident's residential property premises, or enter into an~~
5 agreement with the owner or lessee regarding loan repayments to a 3rd party for
6 owner-arranged or lessee-arranged financing for such purposes. If a political
7 subdivision makes such a loan or enters into such an agreement, the political
8 subdivision may collect the loan repayment as a special charge under this section.
9 Notwithstanding the provisions of sub. (4), a special charge imposed under this
10 subsection may be collected in installments and may be included in the current or
11 next tax roll for collection and settlement under ch. 74 even if the special charge is
12 not delinquent.

13 **SECTION 31.** 76.28 (1) (gm) 3. of the statutes is created to read:

14 76.28 (1) (gm) 3. A nonutility nuclear power plant, as defined in s. 196.491 (1)
15 (i), that has a total power production capacity of at least 50 megawatts. This
16 subdivision takes effect on the date specified in the notice published under s. 196.493
17 (3) (b).

18 **SECTION 32.** 77.54 (30) (a) 1m. of the statutes is amended to read:

19 77.54 (30) (a) 1m. Biomass, as defined in s. ~~196.378 (1) (ar)~~ 196.374 (1) (am),
20 that is used for fuel sold for residential use.

21 **SECTION 33.** 79.005 (1b) of the statutes is amended to read:

22 79.005 (1b) "Alternative energy resource" means a renewable resource, as
23 defined in s. ~~196.378 (1) (h)~~ 196.374 (1) (j); garbage, as defined in s. 289.01 (9); or
24 nonvegetation-based industrial, commercial, or household waste.

25 **SECTION 34.** 79.005 (4) (d) of the statutes is amended to read:

1 79.005 (4) (d) Replacing steam generating equipment at a combustion-based
2 renewable facility, as defined in s. 196.378 ~~(1)~~ (1r) (g), that is located in this state, to
3 increase efficiency or capacity, if the facility remains a combustion-based renewable
4 facility, as defined in s. 196.378 ~~(1)~~ (1r) (g), after replacing the equipment.

5 **SECTION 35.** 79.04 (6) (a) of the statutes is amended to read:

6 79.04 (6) (a) Annually, beginning in 2005, for production plants that begin
7 operation after December 31, 2003, or begin operation as a repowered production
8 plant after December 31, 2003, except as provided in sub. (4m), the department of
9 administration, upon certification by the department of revenue, shall distribute
10 payments from the public utility account, as determined under par. (b), to each
11 municipality and county in which a production plant is located, if the production
12 plant has a name-plate capacity of at least one megawatt and is used by a light, heat,
13 or power company assessed under s. 76.28 (2) or 76.29 (2), except property described
14 in s. 66.0813, unless the production plant is owned or operated by a local
15 governmental unit located outside of the municipality; by a qualified wholesale
16 electric company, as defined in s. 76.28 (1) (gm); by a wholesale merchant plant, as
17 defined in s. 196.491 (1) (w); by an electric cooperative assessed under ss. 76.07 and
18 76.48, respectively; ~~or~~ by a municipal electric company under s. 66.0825; or,
19 beginning on the date specified in the notice published under s. 196.493 (3) (b), by
20 a nonutility nuclear power plant, as defined in s. 196.491 (1) (i).

21 **SECTION 36.** 84.185 (1) (br) and (cr) of the statutes are created to read:

22 84.185 (1) (br) "Greenhouse gas" has the meaning given in s. 299.03 (1) (d).

23 (cr) "Traditional neighborhood development" has the meaning given in s.
24 66.1027 (1) (c).

25 **SECTION 37.** 84.185 (2) (b) 15. of the statutes is created to read:

1 84.185 (2) (b) 15. Whether the improvement is a qualifying improvement under
2 sub. (2m).

3 **SECTION 38.** 84.185 (2) (d) of the statutes is created to read:

4 84.185 (2) (d) The secretary may give greater weight to the criterion under par.
5 (b) 15. than to the other criteria under par. (b) in determining whether to approve an
6 improvement.

7 **SECTION 39.** 84.185 (2m) of the statutes is created to read:

8 84.185 (2m) **QUALIFYING IMPROVEMENTS.** An improvement is a qualifying
9 improvement for the purposes of subs. (2) (b) 15. and (4) (b) if the improvement will
10 result in a reduction of travel, energy use, or emissions of greenhouse gases or if any
11 of the following applies:

12 (a) The improvement is located in an area that is both designated for traditional
13 neighborhood development in a comprehensive plan adopted under s. 66.1001 and
14 to be developed as a traditional neighborhood development under an ordinance
15 consistent with the model ordinance under s. 66.1027 (2) and any of the following
16 applies:

17 1. The area is surrounded by or is adjacent to existing development.

18 2. The area is within a sewer service territory in the sewer service area
19 provisions of an areawide water quality management plan under s. 283.83 approved
20 by the department of natural resources.

21 3. The area consists primarily of blighted properties.

22 4. The area meets other criteria, specified by the department by rule, designed
23 to ensure that the project reduces greenhouse gas emissions.

(b) The political subdivision in which the improvement is located has adopted the design standards under s. 101.027 (4) and the improvement is in an area that is subject to the design standards.

(c) All of the following apply:

1. The improvement is located in an area that is subject to either a charter under s. 299.83 (7e) issued to an association of entities that includes the political subdivision in which the area is located or a participation contract under s. 299.83 (6) entered into by the city, village, town, or county in which the area is located.

2. The department of natural resources determines, in consultation with the department of commerce, the department of administration, the public service commission, and the office of energy independence, that implementation of the charter is likely to result in significant reductions in emissions of greenhouse gases or in energy use by public or private entities within the political subdivision.

(d) The improvement is located in a political subdivision that participates in tier I under s. 299.83 (3), the area in which the improvement is located is affected by the participation in tier I, and the department of natural resources determines, in consultation with the department of commerce, the department of administration, the public service commission, and the office of energy independence, that the participation in tier I is likely to result in significant reductions in emissions of greenhouse gases or in energy use by public or private entities within the political subdivision.

SECTION 40. 84.185 (3) (a) (intro.) of the statutes is amended to read:

84.185 (3) (a) (intro.) When awarding a grant under this section, the department shall establish a grant ceiling. Except as provided in par. (b) 2., the grant ceiling shall not be amended after the secretary has approved an application for

1 funding. Except as provided in par. (b) and sub. (4) (b), the grant ceiling shall be the
2 lesser of the following:

3 **SECTION 41.** 84.185 (4) of the statutes is renumbered 84.185 (4) (a).

4 **SECTION 42.** 84.185 (4) (b) of the statutes is created to read:

5 84.185 (4) (b) The rules promulgated under this subsection may provide for all
6 of the following with respect to an improvement that is a qualifying improvement
7 under sub. (2m) and that is the subject of an agreement under sub. (7m) between the
8 department and a governing body:

- 9 1. A grant ceiling that is higher than the grant ceiling specified in sub. (3).
10 2. Different standards related to job creation or retention, or both, than those
11 that would apply under sub. (2) (b) 3. and 4. to an improvement that is not a
12 qualifying improvement.

13 **SECTION 43.** 93.47 of the statutes is created to read:

14 **93.47 Energy crop reserve program. (1) DEFINITIONS.** In this section:

15 (a) "Agronomic practices" means agricultural practices generally associated
16 with row cropping, including row crop production, soil management, and cultivation.

17 (b) "Native sod" means land on which the plant cover is composed principally
18 of native grasses, grass-like plants, forbs, or shrubs suitable for grazing and
19 browsing, and that has never been tilled for the production of an annual crop.

20 (c) "Short rotation woody crop" means a woody crop, including willows and
21 poplars, grown using agronomic practices.

22 **(2) PROGRAM.** The department shall administer a program in which it pays
23 persons to establish and produce any eligible perennial herbaceous crop or short
24 rotation woody crop for the production of energy or fuel.

1 (3) CONTRACT. (a) The department may enter into a contract, for a period not
2 to exceed 10 years, with a person who applies to participate in the program under this
3 section if all of the following are satisfied:

- 4 1. The person is eligible under sub. (5).
- 5 2. The person's land is eligible for enrollment under sub. (6).
- 6 3. The person is producing or will produce an energy crop eligible under sub.
7 (7).

8 (b) The department may renew a contract entered into under this section.

9 (c) A person who has entered into a contract with the department and enrolled
10 eligible land in the program under this section may enter into additional contracts
11 with the department to enroll additional eligible land in the program under this
12 section.

13 (d) If applicable, a person who enters into a contract under this section shall
14 comply with each of the following on all lands under the person's control:

- 15 1. Sustainable planting and harvesting requirements established by the
16 department by rule for perennial herbaceous crops or for short rotation woody crops.
- 17 2. Notwithstanding s. 281.16 (3) (e), the performance standards, prohibitions,
18 conservation practices, and technical standards under s. 281.16 (3) (a) to (c).

19 (4) PAYMENTS; LIMITATIONS. (a) Subject to the limitations under par. (b), from
20 the appropriation under s. 20.115 (4) (d), the department may make any of the
21 following payments to a person with whom the department has entered into a
22 contract under sub. (3) if the person is eligible for the payment:

- 23 1. Cost-sharing payments equal to a percentage, specified by the department
24 under sub. (8) (c), of the cost to establish an energy crop on the land enrolled under
25 the contract.

1 2. Income replacement payments of a percentage, specified by the department
2 under sub. (8) (d), of the average annual net income the person earned from the land
3 enrolled under the contract in the 5 consecutive years before the land was enrolled
4 in the program under this section. The person may receive an annual payment under
5 this subsection until the person is eligible to receive or has received a production
6 payment under subd. 3. for energy crops harvested on land enrolled under the
7 contract, or for the number of years specified by the department under sub. (8) (d)
8 1., whichever is less. A payment under this subdivision may replace a portion of the
9 payment, as specified by the department under sub. (8) (d) 2., the person had received
10 under the conservation reserve program under 16 USC 3831 to 3836.

11 3. Production payments, of an amount determined by the department under
12 sub. (8) (e), for each ton of energy crop harvested and used to produce energy or fuel
13 or sold to a person that will use the crop to produce energy or fuel.

14 (b) 1. If the total amount of payments to be made under par. (a) in a fiscal year
15 would exceed the amount available from the appropriation under s. 20.115 (4) (d), the
16 department shall prorate the payments among all persons eligible to receive a
17 payment under par. (a) in that fiscal year.

18 2. No person eligible to receive a payment under par. (a) may receive payments
19 in excess of the amount established by the department under sub. (8) (g).

20 (5) ELIGIBILITY. A person is eligible to participate in the program under this
21 section if any of the following applies:

22 (a) The person owns land eligible to be enrolled in the program.

23 (b) The person controls land eligible to be enrolled in the program under a lease
24 that covers the contract period established under sub. (3).

1 **(6) ENROLLMENT.** (a) Except as provided in par. (b), a person eligible under sub.
2 (5) may apply to enroll in the program under this section any land in this state that
3 is used or suitable for growing the crops identified under sub. (7).

4 (b) The following land may not be enrolled in the program under this section:

5 1. Federally owned land, other than land in this state held in trust by the
6 federal government for an American Indian or a federally recognized American
7 Indian tribe or band.

8 2. Land owned by a municipality. In this subdivision, "municipality" has the
9 meaning given in s. 66.0301 (1) (a).

10 3. Land that is in native sod on the effective date of this subdivision [LRB
11 inserts date].

12 4. Land enrolled in the program under subch. I or subch. VI of ch. 77.

13 5. Land enrolled in any of the following:

14 a. The conservation reserve program under 16 USC 3831 to 3836.

15 b. The wetlands reserve program under 16 USC 3837 to 3837f.

16 c. The grassland reserve program under 16 USC 3838n to 3838q.

17 d. The biomass crop assistance program under 7 USC 8111.

18 **(7) ELIGIBLE ENERGY CROPS.** (a) Except as provided in par. (b), a person may
19 receive payments under this section for the production of any perennial herbaceous
20 crop or short rotation woody crop to be harvested and used to produce energy or fuel.

21 (b) No payments may be received under this section for the growth of any of the
22 following:

23 1. A crop that is produced and harvested for a purpose other than the
24 production of energy or fuel, even if the residue of the crop may be used to produce
25 energy or fuel.

1 2. Any plant identified by the department of natural resources under s. 23.22
2 as invasive or having the potential to become invasive.

3 3. Any other crop specified by the department by rule.

4 (8) RULE MAKING. The department of agriculture, trade and consumer
5 protection shall promulgate the following by rule and shall consult with the
6 department of natural resources in the preparation of any rules that affect the
7 natural resources of this state:

8 (a) Rules to implement and administer the program under this section,
9 including all of the following:

10 1. The application form and procedures for applying.

11 2. Procedures and criteria for the review and approval or rejection of an
12 application.

13 3. Procedures and criteria for disbursing payments under the program,
14 including prorating of payments under sub. (4) (b) 1.

15 4. Reporting required of persons who have entered into a contract with the
16 department under sub. (3).

17 5. Conditions under which a person may reenroll land under this section.

18 (b) Crops ineligible for payments, as described under sub. (7) (b).

19 (c) The amount of, limits on, and procedures for calculating cost-sharing
20 payments available to persons under sub. (4) (a) 1., including the manner in which
21 the amounts of or limits on cost-sharing payments will vary with the energy crops
22 being established and the costs required to establish that energy crop.

23 (d) The amount of, limits on, and procedures for calculating income
24 replacement payments under sub. (4) (a) 2., including all of the following:

1 1. The maximum number of years a person may receive payments under sub.
2 (4) (a) 2., which number shall depend upon the time required to establish the energy
3 crop being established by the person.

4 2. Limits on the amount or percent of income from payments received under
5 the federal conservation reserve program, 7 USC 3831 to 3836, that may be included
6 in the calculation of income replacement under sub. (4) (a) 2. The rules promulgated
7 under this subdivision shall be designed to provide an incentive for persons who
8 remove their land from the federal conservation reserve program to enroll the land
9 in the program under this section, but small enough that those persons will not
10 choose to withdraw their land from the federal conservation reserve program solely
11 for the purpose of receiving payments under sub. (4) (a) 2.

12 (e) The amount of and limits on production payments made under sub. (4) (a)
13 3., including the manner in which the amount of the payment available to a person
14 under sub. (4) (a) 3. will vary depending upon the energy or fuel derived from the
15 particular energy crop produced, the costs to produce the energy crop, and other
16 factors consistent with the objectives of the program under this section.

17 (f) Procedures and criteria for allocating funds available from the
18 appropriation under s. 20.115 (4) (d) between cost-sharing payments, income
19 replacement payments, and production payments.

20 (g) Limits on the amount of payments that a person with whom the department
21 has entered into a contract under sub. (3) may receive in any payment category under
22 sub. (4) (a), in any contract year, and over the duration of the contract.

23 (h) Requirements for sustainable planting and harvesting practices, including
24 practices to minimize consumptive water use and maximize water conservation,

1 applicable to persons with whom the person has entered into a contract under sub.
2 (3).

3 (i) Rules to establish priorities for entering into contracts with persons and
4 enrolling land in the program under this section, and for making payments to a
5 person who has entered into a contract under sub. (3), based upon the attributes of
6 the land, the agricultural practices of the person, or any other pertinent factors to
7 advance all of the following objectives:

8 1. Maximizing carbon sequestration, as defined in s. 299.03 (1) (bm).

9 2. Minimizing life-cycle greenhouse gas emissions of the production,
10 harvesting, processing, and distribution of the energy crop by minimizing any of the
11 following:

12 a. The distance the energy crop must be transported between the point of
13 production and the point of end use.

14 b. The use of fossil fuels to plant, cultivate, and harvest the energy crop.

15 c. The application of fertilizer and pesticide in connection with the production
16 of the energy crop.

17 d. Other energy-consuming practices.

18 3. The preservation of farmland through a farmland preservation agreement
19 or farmland preservation zoning.

20 4. Providing soil and water conservation or wildlife preservation benefits.

21 (9) PROGRAM OUTCOMES AND REPORTS. The department of agriculture, trade and
22 consumer protection shall, no later than July 1 of each odd year, submit to the
23 departments of administration and natural resources a report containing all of the
24 following information about the program under this section:

25 (a) The number of acres of land enrolled in the program.

(b) The number of tons and the energy content of each energy crop harvested under the program.

(c) Costs of the program.

(d) The extent to which the program under this section complements and is coordinated with the biomass crop assistance program under 7 USC 8111.

(e) Any recommendations for legislation to improve the program under this section.

SECTION 44. 93.475 of the statutes is created to read:

93.475 Bioenergy feedstock production, sustainable forestry, carbon sequestration and biomass and agricultural production incentive studies.

(1) In this section:

(a) "Bioenergy feedstock" means biomass used to produce energy, including heat or electricity, or to produce a fuel, including transportation fuel.

(b) "Biomass" has the meaning given in s. 196.374 (1) (am).

(c) "Cap and trade program" has the meaning given in s. 299.04 (1) (a).

(2) (a) The department of agriculture, trade and consumer protection shall, in consultation with the department of natural resources, do all of the following:

1. Study whether current and projected markets for bioenergy feedstocks and state and federal programs in effect on the effective date of this subdivision [LRB inserts date], provide adequate financial incentives to prompt producers of bioenergy feedstocks to sustainably produce a supply of biomass that, as a result of the use of that biomass as bioenergy feedstocks, will significantly contribute to the achievement of the state greenhouse gas emission reduction goals established under s. 299.03 (2).

1 2. Study whether current and projected markets and state and federal
2 programs in effect on the effective date of this subdivision [LRB inserts date],
3 provide adequate financial incentives to prompt entities to engage in sustainable
4 forestry, carbon sequestration, and biomass and agricultural production practices in
5 this state that will significantly contribute to the achievement of the state
6 greenhouse gas emission reduction goals established under s. 299.03 (2).

7 3. Prepare reports on the studies required under subds. 1. and 2.

8 (b) The department of agriculture, trade and consumer protection and the
9 department of natural resources shall prepare the studies required under this
10 subsection in consultation with the office of energy independence in the department
11 of administration, the public service commission, the University of Wisconsin
12 System, the administrator of the statewide energy efficiency and renewable resource
13 programs under s. 196.374 (2) (a) 1., representatives of natural resources and
14 environmental organizations, and representatives of sectors of the economy in this
15 state that are affected by the programs.

16 **(3)** (a) If, after conducting the study under sub. (2) (a) 1., the department of
17 agriculture, trade and consumer protection and the department of natural resources
18 determine that the financial incentives under state and federal law are inadequate
19 to prompt producers of bioenergy feedstocks to sustainably produce a supply of
20 biomass that will significantly contribute to the achievement of the state greenhouse
21 gas emission reduction goals established under s. 299.03 (2), and that additional
22 financial incentives are warranted, the department of agriculture, trade and
23 consumer protection and the department of natural resources shall recommend
24 changes to improve the effectiveness of financial incentives under existing state
25 programs and propose new legislation offering additional financial incentives to

1 prompt bioenergy feedstock producers to sustainably produce additional biomass in
2 order to help achieve the state greenhouse gas emission reduction goals. The
3 department of agriculture, trade and consumer protection and the department of
4 natural resources shall consider all of the following when making the
5 recommendations required under this paragraph:

6 1. Methods to reduce financial risks of bioenergy feedstock producers, such as
7 loan guarantees and insurance.

8 2. Expansion of a cap and trade program or a voluntary greenhouse gas
9 emission reduction offset program to create credits for producers of bioenergy
10 feedstocks who reduce greenhouse gas emissions during the production of bioenergy
11 feedstocks by adopting appropriate management practices.

12 3. Expansion of the renewable resource credits created under s. 196.378 (3) (a)
13 1. to authorize the creation of credits from the production or generation of nonelectric
14 energy, as defined in s. 196.378 (1r) (dm), that is produced or generated from biomass.

15 (b) If, after conducting the study under sub. (2) (a) 2., the department of
16 agriculture, trade and consumer protection and the department of natural resources
17 determine that financial incentives under state and federal law are inadequate to
18 prompt entities to engage in sustainable forestry, carbon sequestration, and biomass
19 and agricultural production practices in this state that will significantly contribute
20 to the achievement of the state greenhouse gas emission reduction goals established
21 under s. 299.03 (2), and that additional financial incentives are warranted, the
22 department of agriculture, trade and consumer protection and the department of
23 natural resources shall recommend changes to improve the effectiveness of financial
24 incentives under existing state programs and propose new legislation offering
25 additional financial incentives to prompt entities to engage in sustainable forestry,

1 carbon sequestration, and biomass and agricultural production practices in order to
2 help achieve the state greenhouse gas emission reduction goals. The department of
3 agriculture, trade and consumer protection and the department of natural resources
4 shall consider all of the following when making the recommendations required under
5 this paragraph:

6 1. Methods to reduce financial risks of entities engaged in sustainable forestry,
7 carbon sequestration, and biomass and agricultural production practices, such as
8 loan guarantees and insurance.

9 2. Expansion of a cap and trade program or a voluntary greenhouse gas
10 emission reduction offset program to create credits for entities who engage in
11 sustainable forestry, carbon sequestration, and biomass and agricultural production
12 practices who reduce greenhouse gas emissions as a result of such practices.

13 3. Expansion of the renewable resource credits created under s. 196.378 (3) (a)
14 1. to authorize the creation of credits from the amount of greenhouse gas reductions
15 occurring from sustainable forestry, carbon sequestration, and biomass and
16 agricultural production practices.

17 (c) No later than July 1, 2013, the department of agriculture, trade and
18 consumer protection and the department of natural resources shall submit a report
19 on the studies required under sub. (2) together with any recommended changes to
20 current law or recommended new legislation proposed under par. (a) or (b) to the
21 climate change coordinating council.

22 **SECTION 45.** 101.02 (23) of the statutes is created to read:

23 101.02 (23) No later than July 1, 2013, and at least every 4 years thereafter,
24 the department shall prepare and provide to the department of natural resources an

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1 assessment of progress toward meeting the new building energy use goal in s. 299.03
2 (3).

3 **SECTION 46.** 101.027 (1) of the statutes is renumbered 101.027 (1m) and
4 amended to read:

5 101.027 (1m) ~~In this section, "energy conservation code" means the~~ The
6 department shall, by rule, promulgate an energy conservation code ~~promulgated by~~
7 ~~the department~~ that sets minimum design requirements standards for construction
8 and equipment for the purpose of energy conservation in public buildings and places
9 of employment. Except as provided in sub. (1r), the rules shall conform to the energy
10 design standards contained in a generally accepted code.

11 **SECTION 47.** 101.027 (1g) of the statutes is created to read:

12 101.027 (1g) In this section, "generally accepted code" means the International
13 Energy Conservation Code or an energy efficiency code that provides at least as great
14 an energy conservation benefit as the energy design standards contained in the
15 International Energy Conservation Code and that is generally accepted and used by
16 architects, engineers, and the construction industry in the construction of public
17 buildings and places of employment.

18 **SECTION 48.** 101.027 (1r) of the statutes is created to read:

19 101.027 (1r) (a) The department may set particular design standards that are
20 less strict than those contained in the generally accepted code used by the
21 department to promulgate the energy conservation code under sub. (1m) if all of the
22 following apply:

23 1. Application of the generally accepted code is unreasonably burdensome
24 because of specific conditions existing in this state.

1 2. The less strict standards provide the greatest energy conservation benefits
2 that are consistent with the specific conditions.

3 (b) The department may set particular design standards that are stricter than
4 those contained in the generally accepted code used by the department to promulgate
5 the energy conservation code under sub. (1m) if the department takes into account
6 the cost of complying with the stricter standards in relationship to the benefits
7 derived from complying with the stricter standards, including the reasonably
8 foreseeable economic and environmental benefits to this state from any reduction in
9 the use of fossil fuel and in emissions of greenhouse gasses.

10 **SECTION 49.** 101.027 (2) of the statutes is amended to read:

11 101.027 (2) The department shall review the energy conservation code
12 promulgated under sub. (1m), and shall, subject to the requirements of sub. (1r),
13 promulgate rules that change the requirements of the energy conservation code to
14 improve energy conservation. ~~No rule may be promulgated that has not taken into~~
15 ~~account the cost of the energy conservation code requirement, as changed by the rule,~~
16 ~~in relationship to the benefits derived from that requirement, including the~~
17 ~~reasonably foreseeable economic and environmental benefits to the state from any~~
18 ~~reduction in the use of imported fossil fuel. The proposed rules changing the energy~~
19 ~~conservation code shall be submitted to the legislature in the manner provided under~~
20 ~~s. 227.19. In conducting a review under this subsection, the department shall~~
21 ~~consider incorporating, into the energy conservation code, design requirements from~~
22 ~~the most current national energy efficiency design standards, including the~~
23 ~~International Energy Conservation Code or an energy efficiency code other than the~~
24 ~~International Energy Conservation Code if that energy efficiency code is used to~~

1 ~~prescribe design requirements for the purpose of conserving energy in buildings and~~
2 ~~is generally accepted and used by engineers and the construction industry.~~

3 **SECTION 50.** 101.027 (3) (a) 1. of the statutes is amended to read:

4 101.027 (3) (a) 1. A revision of the ~~International Energy Conservation Code~~
5 generally accepted code used by the department to promulgate the energy efficiency
6 code under sub. (1m) is published.

7 **SECTION 51.** 101.027 (3) (b) 1. of the statutes is amended to read:

8 101.027 (3) (b) 1. If the department begins a review under sub. (2) because a
9 revision of the ~~International Energy Conservation Code~~ generally accepted code
10 used by the department to promulgate the energy efficiency code under sub. (1m) is
11 published, the department shall complete its review of the energy conservation code,
12 ~~as defined in sub. (1),~~ and submit to the legislature proposed rules changing the
13 energy conservation code, ~~as defined in sub. (1),~~ no later than 18 months after the
14 date on which the revision of the ~~International Energy Conservation Code~~ generally
15 accepted code is published.

16 **SECTION 52.** 101.027 (4) of the statutes is created to read:

17 101.027 (4) The department shall promulgate rules that set voluntary design
18 standards for the purpose of reducing the environmental impact of constructing,
19 maintaining, and using public buildings and places of employment. The department
20 shall base the design standards on standards jointly established by the American
21 National Standards Institute, the American Society of Heating, Refrigerating and
22 Air Conditioning Engineers, the U.S. Green Building Council, and the Illuminating
23 Engineering Society of North America or on similar standards that are generally
24 accepted and used by architects, engineers, and the construction industry in the
25 construction of public buildings and places of employment if the similar standards

1 provide benefits in reducing the environmental impact of constructing, maintaining,
2 and using public buildings and places of employment that are at least as great as the
3 benefits provided in the jointly established standards. The department shall
4 promulgate rules under this subsection that set design standards that provide
5 significantly greater energy conservation benefits than those provided by the design
6 standards contained in the energy conservation code under sub. (1m).
7 Notwithstanding s. 101.02 (7) (a), no county, city, village, or town may enact any
8 ordinance or adopt any regulation that requires compliance with the voluntary
9 design standards set by the department under rules promulgated under this
10 subsection.

11 **SECTION 53.** 101.028 of the statutes is created to read:

12 **101.028 Agricultural building code.** The department shall, by rule,
13 promulgate an energy conservation code that sets minimum design standards for
14 agricultural facilities. The department shall define, for purposes of that code,
15 “agricultural facility,” which shall include a barn and a milking parlor. The
16 department shall consult with the department of agriculture, trade and consumer
17 protection before promulgating rules under this section.

18 **SECTION 54.** 101.62 of the statutes is amended to read:

19 **101.62 Dwelling code council; power.** The dwelling code council shall
20 review the standards and rules for one- and 2-family dwelling construction and
21 recommend a uniform dwelling code for adoption by the department which shall
22 include rules providing for the conservation of energy in the construction and
23 maintenance of dwellings, consistent with the requirements of s. 101.63 (1m), and
24 for costs of specific code provisions to home buyers to be related to the benefits
25 derived from such provisions. The council shall study the need for and availability

1 of one-family and 2-family dwellings that are accessible to persons with disabilities,
2 as defined in s. 106.50 (1m) (g), and shall make recommendations to the department
3 for any changes to the uniform dwelling code that may be needed to ensure an
4 adequate supply of one-family and 2-family dwellings. Upon its own initiative or
5 at the request of the department, the council shall consider and make
6 recommendations to the department pertaining to rules and any other matters
7 related to this subchapter. The council shall recommend variances for different
8 climate and soil conditions throughout the state.

9 **SECTION 55.** 101.63 (1) (intro.) of the statutes is amended to read:

10 101.63 (1) (intro.) Adopt rules which establish standards for the construction
11 and inspection of one- and 2-family dwellings and components thereof. Where
12 feasible, the standards used shall be those nationally recognized and shall apply to
13 the dwelling and to its electrical, heating, ventilating, air conditioning and other
14 systems, including plumbing, as defined in s. 145.01 (10). ~~No set of rules may be~~
15 ~~adopted which has not taken into account the conservation of energy in construction~~
16 ~~and maintenance of dwellings and the costs of specific code provisions to home buyers~~
17 ~~in relationship to the benefits derived from the provisions.~~ Rules promulgated under
18 this subsection do not apply to a bed and breakfast establishment, as defined under
19 s. 254.61 (1), except that the rules apply to all of the following:

20 **SECTION 56.** 101.63 (1m) of the statutes is created to read:

21 101.63 (1m) (a) In this subsection, "generally accepted code" means the
22 International Energy Conservation Code or an energy efficiency code that provides
23 at least as great an energy conservation benefit as the energy design standards
24 contained in the International Energy Conservation Code and that is generally

1 accepted and used by architects, engineers, and the construction industry in the
2 construction of one- and 2-family dwellings.

3 (b) The department shall, by rule, promulgate an energy conservation code that
4 sets minimum design standards for construction and equipment for the purpose of
5 energy conservation in one- and 2-family dwellings. In promulgating the rules the
6 department shall ensure that the minimum design standards are appropriate to
7 specific conditions existing in this state and shall consider incorporating into the
8 rules, subject to the requirements under pars. (c) and (d), the energy design
9 standards contained in a generally accepted code.

10 (c) Before the department may set particular design standards that are less
11 strict than those contained in a generally accepted code, it shall consider all of the
12 following:

13 1. Whether application of a generally accepted code is unreasonably
14 burdensome because of specific conditions existing in this state.

15 2. Whether the less strict standards provide the greatest energy conservation
16 benefits that are consistent with the specific conditions.

17 (d) The department may set particular design standards that are stricter than
18 those contained in a generally accepted code if the department takes into account the
19 cost of complying with the stricter standards in relationship to the benefits derived
20 from complying with the stricter standards, including the reasonably foreseeable
21 economic and environmental benefits to this state from any reduction in the use of
22 fossil fuel and in emissions of greenhouse gasses.

23 (e) The department shall review the energy conservation code promulgated
24 under par. (b), and shall, subject to the requirements of pars. (c) and (d), promulgate

1 rules that change the requirements of the energy conservation code to improve
2 energy conservation.

3 (f) The department shall begin a review under par. (e) whenever one of the
4 following occurs:

5 1. A revision of the generally accepted code used by the department to
6 promulgate the energy conservation code under par. (b) is published.

7 2. Three years have passed from the date on which the department last
8 submitted to the legislature proposed rules changing the energy conservation code.

9 (g) The department shall complete a review under par. (e) as follows:

10 1. If the department begins a review under par. (e) because a revision of the
11 generally accepted code used by the department to promulgate the energy
12 conservation code under par. (b) is published, the department shall complete its
13 review of the energy conservation code and submit to the legislature proposed rules
14 changing the energy conservation code no later than 18 months after the date on
15 which the revision of the generally accepted code is published.

16 2. If the department begins a review under par. (e) because 3 years have passed
17 from the date on which the department last submitted to the legislature proposed
18 rules changing the energy conservation code, the department shall complete its
19 review of the energy conservation code and submit to the legislature proposed rules
20 changing the energy conservation code no later than 9 months after the last day of
21 the 3-year period.

22 **SECTION 57.** 101.80 (1j) of the statutes is amended to read:

23 101.80 (1j) "Electricity provider" means a public utility, an electric cooperative,
24 ~~or a wholesale merchant plant operator, or, beginning on the date specified in the~~
25 notice published under s. 196.493 (3) (b), a nonutility nuclear power plant operator.

1 **SECTION 58.** 101.80 (2m) of the statutes is created to read:

2 101.80 **(2m)** "Nonutility nuclear power plant operator" means the operator of
3 a nonutility nuclear power plant, as defined in s. 196.491 (1) (i). This subsection
4 takes effect on the date specified in the notice published under s. 196.493 (3) (b).

5 **SECTION 59.** 196.025 (1) (ag) 1. of the statutes is renumbered 196.025 (1) (ag)
6 1r.

7 **SECTION 60.** 196.025 (1) (ag) 1g. of the statutes is created to read:

8 196.025 **(1)** (ag) 1g. "Municipal utility" has the meaning given in s. 16.957 (1)
9 (q).

10 **SECTION 61.** 196.025 (1) (b) 1. of the statutes is renumbered 196.025 (1) (b) 1.
11 (intro.) and amended to read:

12 196.025 **(1)** (b) 1. (intro.) In a proceeding in which an ~~investor-owned~~ electric
13 public utility is a party, the commission shall not order or otherwise impose energy
14 conservation or efficiency requirements on the ~~investor-owned~~ electric public utility
15 if the commission has fulfilled all of its duties under s. 196.374 and ~~the~~
16 ~~investor-owned~~ any of the following is satisfied:

17 a. The electric public utility has satisfied the requirements of s. 196.374 for the
18 year prior to commencement of the proceeding, as specified in s. 196.374 (8) (d).

19 **SECTION 62.** 196.025 (1) (b) 1. b. of the statutes is created to read:

20 196.025 **(1)** (b) 1. b. If the electric public utility is a municipal utility, the
21 commission determines under s. 196.374 (8) that the electric public utility has, on
22 average over the 4 years preceding the commencement of the proceeding, met, in the
23 aggregate, the goals established under s. 196.374 (3) (bn) 1. f. for the electric public
24 utility or the commission determines that the electric public utility has made a good
25 faith effort to meet the goals during such 4-year period.

1 **SECTION 63.** 196.025 (1) (b) 2. of the statutes is amended to read:

2 196.025 (1) (b) 2. In a proceeding in which a wholesale supplier that has
3 accepted an assignment from a municipal utility or retail electric cooperative under
4 s. 196.374 (7) (bg) is a party, the commission shall not order or otherwise impose
5 energy conservation or efficiency requirements on the wholesale supplier or any
6 municipal utility or retail electric cooperative that made the assignment if the
7 commission has fulfilled all of its duties under s. 196.374 and the ~~wholesale~~
8 ~~supplier's members are in the aggregate substantially in compliance with s. 196.374~~
9 ~~(7)~~ commission determines under s. 196.374 (8) that the wholesale supplier or all
10 municipal utilities or retail electric cooperatives from which the wholesale supplier
11 has accepted assignment have, on average over the 4 years preceding the
12 commencement of the proceeding, met, in the aggregate, the goals established under
13 s. 196.374 (3) (bn) 1. f. for the municipal utilities or retail electric cooperatives or the
14 commission determines that the wholesale supplier, municipal utilities, or retail
15 electric cooperatives have made a good faith effort to meet the goals during such
16 4-year period.

17 **SECTION 64.** 196.025 (1) (c) 1. of the statutes is amended to read:

18 196.025 (1) (c) 1. In a proceeding in which an ~~investor-owned~~ electric public
19 utility is a party, the commission shall not order or otherwise impose any renewable
20 resource requirements on the ~~investor-owned~~ electric public utility if the
21 commission has fulfilled all of its duties under s. 196.378 and the commission has
22 informed the utility under s. 196.378 (2) (c) 2. that, with respect to the most recent
23 report submitted under s. 196.378 (2) (c) 1., the utility is in compliance with the
24 requirements of s. 196.378 (2) (a) 2. This subdivision does not limit the authority of
25 the commission to enforce a public utility's obligations under s. 196.374.

1 **SECTION 65.** 196.025 (1) (c) 2. of the statutes is amended to read:

2 196.025 (1) (c) 2. In a proceeding in which a wholesale supplier is a party, the
3 commission shall not order or otherwise impose any renewable resource
4 requirements on the wholesale supplier if the commission has fulfilled all of its
5 duties under s. 196.378 and the wholesale supplier's members or customers are in
6 the aggregate substantially in compliance with s. 196.378 (2).

7 **SECTION 66.** 196.025 (1) (c) 3. of the statutes is created to read:

8 196.025 (1) (c) 3. The commission shall give priority in the scheduling of its
9 business to the consideration of applications for a certificate of authority under s.
10 196.49, or a certificate of public convenience and necessity under s. 196.491 (3), for
11 a proposed renewable facility, as defined in s. 196.378 (1r) (g).

12 **SECTION 67.** 196.025 (2m) (c) of the statutes is amended to read:

13 196.025 (2m) (c) Paragraph (b) does not waive any duty of the commission or
14 the department to comply with s. 1.11 or to take any other action required by law
15 regarding a project, except that, in the consideration of alternative locations, sites,
16 or routes for a project, the commission and the department are required to consider
17 only the location, site, or route for the project identified in an application for a
18 certificate under s. 196.49 and no more than one alternative location, site, or route;
19 and, for a project identified in an application for a certificate under s. 196.491 (3),
20 other than an application for a renewable facility, as defined in s. 196.378 (1r) (g), the
21 commission and the department are required to consider only the location, site, or
22 route for the project identified in the application and one alternative location, site,
23 or route.

24 **SECTION 68.** 196.025 (7) of the statutes is created to read:

1 196.025 (7) ENERGY CONSERVATION ASSESSMENT. No later than July 1, 2013, and
2 at least every 4 years thereafter, the commission shall prepare and provide to the
3 department of natural resources an assessment of progress toward meeting the
4 statewide energy conservation goals in s. 299.03 (3m).

5 **SECTION 69.** 196.25 (1) of the statutes is renumbered 196.25 (1r).

6 **SECTION 70.** 196.25 (1g) of the statutes is created to read:

7 196.25 (1g) In this section, “public utility” includes the owner or operator of a
8 nuclear power plant, as defined in s. 196.491 (1) (j), for which the commission has
9 issued a certificate of public convenience and necessity under s. 196.491 (3) on or
10 after the date specified in the notice published under s. 196.493 (3) (b).

11 **SECTION 71.** 196.374 (1) (am) of the statutes is created to read:

12 196.374 (1) (am) “Biomass” means plant material, including wood, or residue;
13 biological waste; biogas; or landfill gases. “Biomass” does not include garbage, as
14 defined in s. 289.01 (9), or nonbiological industrial, nonbiological commercial, or
15 nonbiological household waste.

16 **SECTION 72.** 196.374 (1) (b) of the statutes is amended to read:

17 196.374 (1) (b) “Commitment to community program” means an energy
18 efficiency or load management program ~~by or on behalf for regulated fuel usage in~~
19 the service territory of a municipal utility or retail electric cooperative or a renewable
20 resource program involving customer applications of renewable resources that take
21 place at the premises of the customers or members of a municipal utility or retail
22 electric cooperative.

23 **SECTION 73.** 196.374 (1) (c) of the statutes is amended to read:

24 196.374 (1) (c) “Customer application of renewable resources” means the
25 generation of energy from renewable resources that takes place on the premises of

1 a customer or member of an energy utility ~~or~~, municipal utility, or ~~a member of a~~ retail
2 electric cooperative.

3 **SECTION 74.** 196.374 (1) (d) of the statutes is amended to read:

4 196.374 (1) (d) "Energy efficiency program" means a program for reducing the
5 usage or increasing the efficiency of the usage of ~~energy by a customer or member of~~
6 ~~an energy utility, municipal utility, or retail electric cooperative~~ a target fuel.
7 "Energy efficiency program" does not include load management.

8 **SECTION 75.** 196.374 (1) (dm) of the statutes is created to read:

9 196.374 (1) (dm) "Energy provider" means an energy utility, municipal utility,
10 or retail electric cooperative.

11 **SECTION 76.** 196.374 (1) (er) of the statutes is created to read:

12 196.374 (1) (er) "Large energy customer program" means a program under sub.
13 (2) (c).

14 **SECTION 77.** 196.374 (1) (f) of the statutes is amended to read:

15 196.374 (1) (f) "Load management program" means a program to allow an
16 energy utility, ~~municipal utility, provider or~~ wholesale electric cooperative, as
17 defined in s. 16.957 (1) (v), ~~retail electric cooperative, or municipal electric company,~~
18 as defined in s. 66.0825 (3) (d), supplier to control or manage daily or seasonal
19 customer ~~demand~~ demand associated with equipment or devices used by
20 customers or members.

21 **SECTION 78.** 196.374 (1) (hm) of the statutes is created to read:

22 196.374 (1) (hm) "Natural gas" does not include natural gas that is used to
23 generate electricity.

24 **SECTION 79.** 196.374 (1) (i) of the statutes is repealed.

25 **SECTION 80.** 196.374 (1) (ig) of the statutes is created to read:

1 196.374 (1) (ig) "Prime supplier" means a person that imports an unregulated
2 fuel into this state for sale to a wholesale or retail distributor, or to an end user, for
3 use in this state.

4 **SECTION 81.** 196.374 (1) (ir) of the statutes is created to read:

5 196.374 (1) (ir) "Regulated fuel" means electricity or natural gas.

6 **SECTION 82.** 196.374 (1) (j) (intro.) of the statutes is amended to read:

7 196.374 (1) (j) (intro.) "Renewable resource" means a resource that derives
8 energy from any source other than coal, petroleum products, nuclear power ~~or, except~~
9 ~~as used in a fuel cell, natural gas, or nonbiological industrial, nonbiological~~
10 ~~commercial, or nonbiological household waste.~~ "Renewable resource" includes
11 resources deriving energy from any of the following:

12 **SECTION 83.** 196.374 (1) (j) 8. of the statutes is created to read:

13 196.374 (1) (j) 8. Any other resource designated by the commission by rule.

14 **SECTION 84.** 196.374 (1) (L) of the statutes is amended to read:

15 196.374 (1) (L) "Retail electric cooperative" ~~has the meaning given in s. 16.957~~
16 ~~(1) (t)~~ means a cooperative association that is organized under ch. 185 for the purpose
17 of providing electricity at retail to its members only and that owns or operates a retail
18 electric distribution system.

19 **SECTION 85.** 196.374 (1) (mb) of the statutes is created to read:

20 196.374 (1) (mb) "Statewide programs" means the statewide energy efficiency
21 and renewable resource programs established under sub. (2) (a) 1.

22 **SECTION 86.** 196.374 (1) (me) of the statutes is created to read:

23 196.374 (1) (me) "Statewide programs contractor" means a person with whom
24 energy utilities contract under sub. (2) (a) 1. to administer the statewide programs.

25 **SECTION 87.** 196.374 (1) (mh) of the statutes is created to read:

1 196.374 (1) (mh) "Supplemental utility program" means a program under sub.
2 (2) (b) 2.

3 **SECTION 88.** 196.374 (1) (mL) of the statutes is created to read:

4 196.374 (1) (mL) "Target fuel" means a regulated or unregulated fuel.

5 **SECTION 89.** 196.374 (1) (mo) of the statutes is created to read:

6 196.374 (1) (mo) "Total sales" means, with respect to a target fuel, the total
7 amount of the target fuel sold at retail in this state as measured in energy units.

8 **SECTION 90.** 196.374 (1) (mr) of the statutes is created to read:

9 196.374 (1) (mr) "Unregulated fuel" means liquified petroleum gas or heating
10 oil.

11 **SECTION 91.** 196.374 (1) (mu) of the statutes is created to read:

12 196.374 (1) (mu) "Utility-administered program" means a program under sub.
13 (2) (b) 1.

14 **SECTION 92.** 196.374 (1) (o) of the statutes is repealed.

15 **SECTION 93.** 196.374 (2) (a) 1. of the statutes is amended to read:

16 196.374 (2) (a) 1. The energy utilities in this state ~~shall collectively establish~~
17 ~~and fund statewide energy efficiency and renewable resource programs. The energy~~
18 ~~utilities shall collectively contract, on the basis of competitive bids, with one or more~~
19 ~~persons to develop and administer the statewide energy efficiency and renewable~~
20 ~~resource programs. The utilities may not execute a~~ A contract under this subdivision
21 may not be executed unless the commission has approved the contract. The
22 ~~commission shall require each energy utility to spend the amount required under~~
23 ~~sub. (3) (b) 2. moneys received by a statewide programs contractor under sub. (3) (bw)~~
24 3., 3g., and 4. shall be used to fund the statewide energy efficiency and renewable
25 resource programs.

1 **SECTION 94.** 196.374 (2) (a) 2. (intro.) of the statutes is amended to read:

2 196.374 (2) (a) 2. (intro.) The purpose of the statewide programs ~~under this~~
3 ~~paragraph~~ shall be to help achieve environmentally sound and adequate energy
4 target fuel supplies at reasonable cost, consistent with the commission's
5 responsibilities under s. 196.025 (1) (ar) and the energy utilities' obligations under
6 this chapter. The statewide programs shall include, at a minimum, all of the
7 following:

8 **SECTION 95.** 196.374 (2) (a) 2. a. of the statutes is amended to read:

9 196.374 (2) (a) 2. a. Components to address the energy target fuel needs of
10 residential, commercial, agricultural, institutional, and industrial energy target fuel
11 users ~~and~~, local units of government, and tribal governments.

12 **SECTION 96.** 196.374 (2) (a) 2. b. of the statutes is amended to read:

13 196.374 (2) (a) 2. b. Components to reduce the energy target fuel costs incurred
14 by local units of government, tribal governments, and agricultural producers, by
15 increasing the efficiency of energy target fuel use by local units of government, tribal
16 governments, and agricultural producers. The commission shall ensure that not less
17 than 10 percent of the moneys ~~utilities are required to spend under subd. 1. or sub.~~
18 ~~(3) (b) 2. paid by energy utilities and prime suppliers under sub. (3) (bw) 3., 3g., and~~
19 4. is spent annually on programs under this ~~subdivision~~ subd. 2. b. except that, if the
20 commission determines that the full amount cannot be spent on cost-effective
21 programs for local units of government, tribal governments, and agricultural
22 producers, the commission shall ensure that any surplus funds be spent on programs
23 to serve commercial, institutional, and industrial ~~customers~~ target fuel users. A local
24 unit of government that receives assistance under this subd. 2. b. shall apply all costs
25 savings realized from the assistance to reducing the property tax levy.

1 **SECTION 97.** 196.374 (2) (a) 2. d. of the statutes is amended to read:

2 196.374 (2) (a) 2. d. Initiatives for research and development regarding the
3 environmental and economic impacts of energy target fuel use in this state.

4 **SECTION 98.** 196.374 (2) (a) 2. e. and f. of the statutes are created to read:

5 196.374 (2) (a) 2. e. Grants and loans for distributed electric generating
6 facilities that generate electricity from renewable resources and that are designed
7 for nominal operation at a capacity of 10 megawatts or less, including agricultural
8 waste digesters and wind power and solar energy facilities, with a preference for
9 grants and loans for agricultural waste digesters. Grants and loans under this subd.
10 2. e. may not be made in a year to a customer or member of a municipal utility or retail
11 electric cooperative, unless the municipal utility or retail electric cooperative has
12 contributed 0.2 percent of its annual operating revenues for that year to a statewide
13 programs contractor for grants and loans under this subd. 2. e. The commission shall
14 ensure that the amount available for grants and loans under this subd. 2. e. for a year
15 is at least equal to the sum of the amounts paid by energy utilities in that year under
16 sub. (3) (bw) 3r. and the amount budgeted for similar grants and loans in 2009 under
17 the statewide renewable resource programs under s. 196.374 (2) (a) 1., 2007 stats.
18 This subd. 2. e. does not apply after the first day of the 48th month beginning after
19 the effective date of this subd. 2. e. [LRB inserts date].

20 f. Components for coordinating, to the extent practicable, with apprenticeship
21 training programs to develop a highly skilled workforce for energy efficiency and
22 renewable resource programs.

23 **SECTION 99.** 196.374 (2) (a) 3. of the statutes is amended to read:

24 196.374 (2) (a) 3. The commission may not require an energy utility to
25 administer or fund any energy efficiency or renewable resource program that is in

1 addition to the statewide programs required under subd. 1. and any ordered program
2 of the utility. This subdivision does not limit the authority of the commission to
3 enforce an energy utility's obligations under s. 196.378.

4 **SECTION 100.** 196.374 (2) (b) (title) of the statutes is amended to read:

5 196.374 (2) (b) (title) *Utility-administered and supplemental utility programs*.

6 **SECTION 101.** 196.374 (2) (b) 1. of the statutes is amended to read:

7 196.374 (2) (b) 1. An energy utility may, with commission approval, administer
8 or fund one or more energy efficiency programs for regulated fuels that is limited to,
9 as determined by the commission, large commercial, industrial, institutional, or
10 agricultural customers in its service territory. An energy utility shall pay for a
11 program under this subdivision with by withholding a portion of the amount it is
12 required to pay to a statewide programs contractor under sub. (3) ~~(b) 2.~~ (bw) 3. or 3g.,
13 as approved by the commission. The commission may not order an energy utility to
14 administer or fund a program under this subdivision.

15 **SECTION 102.** 196.374 (2) (b) 2. of the statutes is amended to read:

16 196.374 (2) (b) 2. An energy utility may, with commission approval, administer
17 or fund an energy efficiency or renewable resource program for regulated fuels that
18 is limited to customers in its service territory and that is in addition to the statewide
19 programs required under par. (a) or utility-administered programs authorized
20 under subd. 1. The commission may not order an energy utility to administer or fund
21 a program under this subdivision.

22 **SECTION 103.** 196.374 (2) (b) 3. of the statutes is amended to read:

23 196.374 (2) (b) 3. An energy utility ~~that administers or funds a program under~~
24 ~~subd. 1. or 2. or an ordered program~~ may request at any time to establish, modify, or
25 discontinue a utility-administered or supplemental utility program, and the

1 commission may approve, ~~to~~ modify, or discontinue, in whole or in part, the ordered
2 program. ~~An energy utility may request the establishment, modification, or~~
3 ~~discontinuation of a program under subd. 1. or 2. at any time and shall request the~~
4 ~~modification or discontinuation of an ordered program as part of a proceeding under~~
5 ~~sub. (3) (b) 1.~~

6 **SECTION 104.** 196.374 (2) (c) of the statutes is amended to read:

7 196.374 (2) (c) *Large energy customer programs.* A customer of an energy
8 utility may, with commission approval, administer and fund its own energy efficiency
9 programs or renewable resource programs if the customer satisfies the definition of
10 a large energy customer for any month in the 12 months preceding the date of the
11 customer's request for approval. A customer may request commission approval at
12 any time. A customer that funds a program under this paragraph may deduct the
13 amount of the funding from the amount the energy utility may collect from the
14 customer under sub. (5) (b). If the customer deducts the amount of the funding from
15 the amount the energy utility may collect from the customer under sub. (5) (b), the
16 energy utility shall credit the amount of the funding against the amount the energy
17 utility is required to spend pay to a statewide programs contractor under sub. (3) (b)
18 2. (bw) 3. or 3g.

19 **SECTION 105.** 196.374 (3) (a) and (b) 1. of the statutes are consolidated,
20 renumbered 196.374 (3) (a) and amended to read:

21 196.374 (3) (a) *In general.* The commission shall have oversight of statewide,
22 utility-administered, supplemental utility, and large energy customer programs
23 under sub. (2). The commission shall maximize coordination of program delivery,
24 including coordination between such programs under subs. (2) (a) 1., (b) 1. and 2., and
25 (e) and (7), ~~ordered programs~~, low-income weatherization programs under ~~s.~~ ss.

1 16.26, 16.27, and 16.957, renewable resource programs under s. 196.378, and other
2 energy efficiency or renewable resource programs. The commission shall cooperate
3 with the department of natural resources to ensure coordination of energy efficiency
4 and renewable resource programs with air quality programs and to maximize and
5 document the air quality improvement benefits that can be realized from energy
6 efficiency and renewable resource programs. ~~(b) 1. At least every 4 years, after notice~~
7 ~~and opportunity to be heard, the commission shall, by order, evaluate the energy~~
8 ~~efficiency and renewable resource programs under sub. (2) (a) 1., (b) 1. and 2., and~~
9 ~~(c) and ordered programs and set or revise goals, priorities, and measurable targets~~
10 ~~for the programs. The~~ In carrying out its duties under this paragraph, the
11 commission shall give priority to cost-effective programs that moderate the growth
12 in ~~electric and natural gas~~ target fuel demand and usage, facilitate markets and
13 assist market providers to achieve higher levels of energy efficiency, promote energy
14 reliability and adequacy, avoid adverse environmental impacts from the use of
15 energy, and promote rural economic development.

16 **SECTION 106.** 196.374 (3) (b) (title), 2. (intro.) and a. and 4. of the statutes are
17 repealed.

18 **SECTION 107.** 196.374 (3) (b) 2. b. of the statutes is renumbered 196.374 (3) (bg)
19 1m. a. and amended to read:

20 196.374 (3) (bg) 1m. a. The potential short-term and long-term impacts on
21 electric and natural gas rates and on costs of unregulated fuels and alternative
22 means to mitigate such impacts.

23 **SECTION 108.** 196.374 (3) (b) 2. c., d., e., f., g. and h. of the statutes are
24 renumbered 196.374 (3) (bg) 1m. b., c., d., e., f. and g.

1 **SECTION 109.** 196.374 (3) (b) 3. of the statutes is renumbered 196.374 (3) (bw)
2 3g. and amended to read:

3 196.374 **(3)** (bw) 3g. The commission shall submit to the joint committee on
4 finance any proposal to require ~~each an~~ energy utility to ~~spend a larger~~ collect from
5 its customers and pay to a statewide programs contractor in a year under subd. 3.
6 a percentage of its annual operating revenues than the percentage specified in subd.
7 2. (intro.) to fund the programs specified in subd. 2. (intro.) that is greater than 1.2
8 percent. If the cochairpersons of the committee do not notify the commission within
9 10 working days after the commission submits such a proposal that the committee
10 has scheduled a meeting to review the proposal, the commission may require ~~each~~
11 the energy utility to ~~spend the percentage specified in~~ comply with the proposal. If,
12 within 10 working days after the commission submits a proposal, the cochairpersons
13 of the committee notify the commission that the committee has scheduled a meeting
14 to review the proposal, but, within 90 days of providing the notice, the committee
15 does not object to the proposal, the commission may require ~~each the~~ energy utility
16 to ~~spend the percentage specified in~~ comply with the proposal. If, within 90 days
17 after providing the notice, the committee objects to the proposal, the commission may
18 not require ~~each the~~ energy utility to ~~spend the percentage specified in the proposal~~
19 collect from its customers and pay to a statewide programs contractor 1.2 percent of
20 its annual operating revenues. The commission may submit a proposal, or submit
21 revisions to a proposal that the commission has previously submitted, at any time.

22 **SECTION 110.** 196.374 (3) (bc), (bg) (title), 1., 1m. (intro) and 2., (bn), (br) and
23 (bw) (title), 1., 2., 3., 3r. and 4. of the statutes are created to read:

24 196.374 **(3)** (bc) *Quadrennial proceedings; generally.* Every 4 years the
25 commission shall, after notice and opportunity to be heard, conduct a proceeding for

1 making assessments under par. (bg) and shall hold contested case hearings for
2 establishing goals under par. (bn), establishing funding requirements under par.
3 (br), and allocating the funding requirements under par. (bw). The commission shall
4 carry out its duties under this paragraph in a manner that implements state policy
5 under s. 1.12 (4), establishes all achievable and cost-effective energy savings, and
6 is designed to enable the state to meet or exceed the goals specified in s. 299.03 (2)
7 and (3m) (a) and (b).

8 (bg) (title) *Quadrennial potential studies*. 1. The commission shall assess the
9 reduction in the use of and demand for each target fuel that can be achieved in each
10 year of the quadrennium following the proceeding under par. (bc) through all of the
11 following:

12 a. Cost-effective energy efficiency and renewable resource programs
13 administered by energy providers or other persons.

14 b. Programs and policy mechanisms under the commission's jurisdiction,
15 excluding the programs described in subd. 1. a., and including demand response and
16 load management programs and the renewable portfolio standard, as defined in s.
17 196.378 (1r) (gm).

18 c. Low-income weatherization programs under ss. 16.26, 16.27, and 16.957.

19 d. Other programs and policy mechanisms, including appliance and equipment
20 efficiency standards, mandatory and voluntary energy conservation standards for
21 buildings, and voluntary certification programs.

22 1m. (intro.) In making assessments under subd. 1., the commission shall
23 consider all of the following:

24 2. Reductions in use of and demand for a target fuel in assessments under subd.

25 1. shall be expressed as percentages of total sales for the target fuel.

1 (bn) *Quadrennial goals.* For each year of the quadrennium following the
2 proceeding under par. (bc), the commission shall establish a goal for the reduction
3 in demand for and use of each target fuel that can be achieved under the statewide
4 programs, and a goal for the reduction in demand for and use of each regulated fuel
5 that can be achieved by or on behalf of each municipal utility and retail electric
6 cooperative, as follows:

7 1. For each regulated fuel:

8 a. Estimate the total sales of the regulated fuel that will occur in the year.

9 b. Estimate the proportion of the amount estimated under subd. 1. a. that will
10 be attributable to sales by all energy utilities in the year and multiply the proportion
11 estimated under this subd. 1. b. by the amount estimated under subd. 1. a.

12 c. Estimate the proportion of the amount estimated under subd. 1. a. that will
13 be attributable to sales by each municipal utility or retail electric cooperative in the
14 year and multiply the proportion estimated under this subd. 1. c. by the amount
15 estimated under subd. 1. a.

16 d. Determine the difference between the percentages determined under par.
17 (bg) 1. a. and c. for the regulated fuel for the year.

18 e. Multiply the product determined under subd. 1. b. by the difference
19 determined under subd. 1. d. The resulting product shall be the goal under the
20 statewide programs for the regulated fuel for the year, unless modified by the
21 commission under sub. (8) (b) 2.

22 f. Multiply the product determined under subd. 1. c. for a municipal utility or
23 retail electric cooperative by the difference determined under subd. 1. d. The
24 resulting product shall be the goal for the regulated fuel for the year for the municipal
25 utility or retail electric cooperative, unless modified by the commission under sub.

1 (8) (b) 2.; and except that the commission may revise the goal if the commission
2 determines that the goal is unreasonable considering the composition of the
3 membership or customer base of the municipal utility or retail electric cooperative;
4 and except that, if the joint committee on finance objects under par. (bw) 3g. to a
5 proposal regarding one or more energy utilities, the commission shall revise goals for
6 municipal utilities and retail electric cooperatives in a manner that is consistent
7 with the energy utility payments to the statewide programs contractor that result
8 from the objection, and the commission shall notify municipal utilities and retail
9 electric cooperatives of the revised goals.

10 2. For each unregulated fuel:

11 a. Estimate the total sales of the unregulated fuel that will occur in the year.

12 b. Determine the difference between the percentages determined under par.

13 (bg) 1. a. and c. for the unregulated fuel for the year.

14 c. Multiply the estimate under subd. 2. a. by the difference determined under
15 subd. 2. b. The resulting product shall be the goal under the statewide programs for
16 the unregulated fuel for the year, unless modified by the commission under sub. (8)

17 (b) 2.

18 (br) *Quadrennial funding requirements.* 1. 'Statewide programs.' The
19 commission shall determine the amount of funds necessary for statewide programs
20 for each target fuel for each year of the quadrennium following the proceeding under
21 par. (bc) as follows:

22 a. For each target fuel, determine the amount of funds necessary to achieve the
23 goal determined under par. (bn) 1. e. or 2. c. for the year.

1 b. Subtract from the amount determined under subd. 1. a. the total amount that
2 the commission allows all energy utilities to pay for utility-administered programs
3 for the target fuel in the year.

4 c. Subtract from the amount determined under subd. 1. b. the total amount of
5 funding the commission allows for all large energy customer programs for the target
6 fuel in the year. The result determined under this subd. 1. c. shall be the amount of
7 funding necessary for statewide programs for the target fuel in the year.

8 2. 'Municipal utilities and retail electric cooperatives.' Except as provided in
9 sub. (7) (bg), each municipal utility and retail electric cooperative shall determine the
10 amount of funds necessary to achieve the goal determined under par. (bn) 1. f. for
11 each regulated fuel for each year of the quadrennium following the proceeding under
12 par. (bc). The minimum amount that a municipal utility or retail electric cooperative
13 may determine for a year under this subdivision shall correspond to a monthly fee
14 imposed on each customer or member that collects an annual average of \$8 per meter.

15 (bw) (title) *Funding allocation.* 1. A prime supplier shall report to the
16 commission, in the form specified by the commission, the amount of unregulated fuel
17 that the prime supplier imports into this state each year for ultimate use by end users
18 in this state.

19 2. In the proceeding under par. (bc), for each target fuel, the commission shall
20 determine the percentage of total sales of the target fuel by all energy utilities and
21 prime suppliers in the quadrennium prior to the proceeding that is attributable to
22 each energy utility and prime supplier.

23 3. For each regulated fuel and for each year of the quadrennium following the
24 proceeding under par. (bc), the commission shall determine the amount equal to the
25 percentage determined for an energy utility under subd. 2. multiplied by the amount

1 determined under par. (br) 1. c. for the regulated fuel for the year. Subject to subd.
2 3g., for each year, the commission shall require the energy utility to collect from its
3 customers and pay to a statewide programs contractor the amount so determined or
4 1.2 percent of the energy utility's annual operating revenues for the year, whichever
5 is greater.

6 3r. For the purpose of funding grants and loans under sub. (2) (a) 2. e., the
7 commission shall require each energy utility each year to collect from its customers
8 and pay to a statewide programs contractor 0.2 percent of the energy utility's annual
9 operating revenues for the year. The amounts that an energy utility is required to
10 pay under this subdivision are in addition to the amounts the energy utility is
11 required to pay under subd. 3. or 3g. This subdivision does not apply after the first
12 day of the 48th month beginning after the effective date of this subdivision [LRB
13 inserts date].

14 4. For each unregulated fuel, the commission shall order each prime supplier
15 to pay to a statewide programs contractor in each year of the quadrennium following
16 the proceeding under par. (bc) an amount equal to the percentage determined for the
17 prime supplier under subd. 2. multiplied by the amount determined under par. (br)
18 1. c. for the unregulated fuel for the year.

19 **SECTION 111.** 196.374 (3) (c) (title) of the statutes is amended to read:

20 196.374 (3) (c) (title) ~~Reviews~~ Other reviews and approvals.

21 **SECTION 112.** 196.374 (3) (c) 1. of the statutes is amended to read:

22 196.374 (3) (c) 1. Review and approve contracts under sub. (2) (a) 1. ~~between~~
23 ~~the energy utilities and program administrators~~ If the energy utilities contract with
24 more than one person under sub. (2) (a) 1., the commission shall determine how to

1 allocate among those persons the requirements under this section involving
2 statewide programs contractors.

3 **SECTION 113.** 196.374 (3) (c) 2. (intro.), a. and b. of the statutes are consolidated,
4 renumbered 196.374 (3) (c) 2. (intro.) and amended to read:

5 196.374 (3) (c) 2. (intro.) Review requests ~~under sub. (2) (b) for~~
6 utility-administered, supplemental utility, and large energy customer programs.

7 The commission may condition its approval of a request ~~under sub. (2) (b) as~~
8 necessary to protect the public interest. The commission shall approve a request
9 ~~under sub. (2) (b) 1. or 2. if the commission determines that a proposed energy~~
10 ~~efficiency or renewable resource program is in the public interest and satisfies all of~~
11 ~~the following: a. The program, has specific savings targets and performance~~
12 measurable performance-based goals approved by the commission. b. The program,
13 is subject to independent evaluation by the commission, and, for a
14 utility-administered or supplemental utility program, satisfies all of the following:

15 **SECTION 114.** 196.374 (3) (c) 2. bm., c., d. and e. of the statutes are created to
16 read:

17 196.374 (3) (c) 2. bm. Implementation of the program will complement the
18 statewide programs and enhance the ability of the statewide programs to meet or
19 exceed their goals.

20 c. Implementation of the program will enhance the ability of the state to meet
21 its greenhouse gas emission reduction goals under s. 299.03 (2).

22 d. Considering alternatives to the program, the costs of the program are
23 reasonable.

24 e. The benefits of the program exceed the costs of the program.

25 **SECTION 115.** 196.374 (3) (d) of the statutes is amended to read:

1 196.374 (3) (d) *Audits*. Annually, the commission shall contract with one or
2 more independent auditors to prepare a financial and performance audit of the
3 statewide, utility-administered, supplemental utility, and large energy customer
4 programs specified in par. (b) 1. The purpose of the performance audit shall be to
5 evaluate the programs and measure the performance of the programs against the
6 goals ~~and targets set~~ approved by the commission under par. (b) 1. ~~The person or~~
7 ~~persons with whom the energy utilities contract for program administration under~~
8 ~~sub. (2) (a) 1. shall pay the costs of the audits from the amounts paid under the~~
9 ~~contracts under sub. (2) (a) 1 (c) 2. or established under par. (b) 1. e. or 2. c.~~ The audit
10 shall also determine the amount of reduction in the demand for and use of each target
11 fuel that has resulted in the year under the programs.

12 **SECTION 116.** 196.374 (3) (dm) of the statutes is created to read:

13 196.374 (3) (dm) *Consultations*. If an audit under par. (d) indicates that a
14 program has failed to achieve one or more goals for the year of the audit, the
15 commission shall consult with the statewide programs contractor or person
16 administering the program regarding ways to modify the program to ensure that, as
17 determined under sub. (8) (a), it will achieve its goals.

18 **SECTION 117.** 196.374 (3) (e) of the statutes is renumbered 196.374 (3) (e) 1m.,
19 and 196.374 (3) (e) 1m. a. and b., as renumbered, are amended to read:

20 196.374 (3) (e) 1m. a. The expenses of the commission, energy utilities, and
21 ~~program administrators contracted under sub. (2) (a) 1.~~ statewide programs
22 contractors in administering or participating in the statewide programs ~~under sub.~~
23 ~~(2) (a) 1.~~

24 b. The effectiveness of the statewide, utility-administered, supplemental
25 utility, large energy customer, and commitment to community programs specified in

1 ~~par. (b) 1. and sub. (7)~~ in reducing demand for electricity target fuels, and increasing
2 the use of renewable resources owned by customers or members.

3 **SECTION 118.** 196.374 (3) (e) 2m. of the statutes is created to read:

4 196.374 (3) (e) 2m. No later than January 1, 2014, the commission shall submit
5 a report to the legislature in the manner described under s. 13.172 (3) on the
6 status, development, and use of small-scale renewable technologies and the costs,
7 benefits, and alternatives for providing additional incentives for the deployment of
8 such technologies on a distributed generation basis. The report shall also
9 recommend goals and mechanisms for encouraging the deployment of such
10 technologies on such a basis, examine any obstacles to achieving the goals, and
11 examine the relationship between the goals and the voluntary tariff offerings of
12 energy utilities, the statewide energy programs, and any relevant federal programs.
13 In preparing the report, the commission shall consult with the office of energy
14 independence, the department of commerce, and the department of agriculture,
15 trade and consumer protection.

16 **SECTION 119.** 196.374 (3) (f) 1. of the statutes is amended to read:

17 196.374 (3) (f) 1. Procedures for energy utilities to collectively contract with
18 ~~program administrators for administration of statewide programs under sub. (2) (a)~~
19 ~~1. and to receive contributions from municipal utilities and retail electric~~
20 ~~cooperatives under sub. (7) (b) 2.~~ statewide programs contractors.

21 **SECTION 120.** 196.374 (3) (f) 2. of the statutes is amended to read:

22 196.374 (3) (f) 2. Procedures and criteria for commission review and approval
23 of contracts ~~for administration of statewide programs under sub. (2) (a) 1., including~~
24 ~~criteria for the selection of program administrators under sub. (2) (a) 1.~~ statewide
25 programs contractors.